

# INCITIVE LIMITED

ACN 115 712 162

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Incitive Limited (the Company) will be held in The Boardroom of Pitcher Partners, Level 21, 300 Queen Street, Brisbane, Queensland 4000 at 11am (AEST) on Thursday, 20 November 2008.

### ORDINARY BUSINESS

#### Receive and Consider the Financial Statements

To receive and consider the financial statements and accompanying reports (including director's report and auditor's report) for the year ended 30 June 2008.

Access Your Annual Report Online

The statutory annual report is available for shareholders to access and download from [www.incitiveltd.com](http://www.incitiveltd.com). If you would like to receive a hard copy of the statutory Annual Report free of charge you can contact the Company Secretary on 07 3228 4048 (during business hours).

Shareholders who have specifically requested a hard copy of the statutory Annual Report will receive it separately in the mail.

#### Resolution 1 – Adoption of Remuneration Report

To consider and if thought fit, pass the following resolution in accordance with section 250R(2) Corporations Act:

'To adopt the Remuneration Report forming part of the Directors Report for the financial year ended 30 June 2008'.

Note: This resolution shall be determined as if it were an ordinary (majority) resolution, but under section 250R(3) Corporations Act, the vote does not bind the Directors of the Company. Shareholders will be given reasonable opportunity to ask questions and make comments on the Remuneration Report at the Meeting.

#### Resolution 2 – Re-election of Director

To consider and if thought fit to pass the following resolution as an ordinary resolution:

'That Mr Melvyn Bridges, who retires by rotation as a Director of the Company in accordance with Rule 13.2 of the Constitution and Listing Rule 14.4, and being eligible offers himself for re-election, be appointed as a director of the Company.'

### **Resolution 3 – Re-election of Director**

To consider and if thought fit to pass the following resolution as an ordinary resolution:

‘That Mr Winton Willesee, who retires from casual vacancy as a Director of the Company in accordance with Rule 13.4 of the Constitution and Listing Rule 14.4, and being eligible offers himself for re-election, be appointed as a director of the Company.’

### **SPECIAL BUSINESS**

### **Resolution 4 – Approval for issue of options for Placement**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

‘That, pursuant to Listing Rule 7.1 and for all other purposes, the issue and allotment of 1 million options in the Company to Cygnet Capital Pty Ltd (**Cygnet**) in accordance with the terms of the mandate dated 3 October 2007 under which Cygnet managed the placement of shares to professional and sophisticated clients, be approved on the terms set out in the Explanatory Memorandum.’

### **Resolution 5 – Approval for issue of shares and options under Convertible Loan**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

‘That, pursuant to Listing Rule 7.1, approval be given to:

- convert the \$500,000 payable under a Convertible Loan Agreement for the issue and allotment of 14,285,714 shares and 14,285,714 options in the Company; and
- convert the interest payable on the loan for the issue of 274,978 shares and 274,978 options in the Company,

to the lenders under the Loan Agreement, being sophisticated or professional clients of Cygnet, on the terms set out in the Explanatory Memorandum.’

### **Resolution 6 – Approval for issue of shares under Convertible Loan Mandate**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

‘That, pursuant to Listing Rule 7.1, approval be given for the issue of 1.5 million shares to Cygnet as part consideration for Cygnet’s role in managing the capital raising by way of Convertible Loan (referred to in resolution 5), which shall be issued on the terms set out in the Explanatory Memorandum.’

**Dated 16 October 2008**

**By Order of the Board**



**R. C. Brown**  
**Company Secretary**

## **Notes**

In accordance with Listing Rule 14.11.1, the Company will disregard any votes cast on:

- Resolution 4 – Cygnet Capital Pty Ltd and its associates
- Resolution 5 – Cygnet Capital Pty Ltd, each person who will participate in the issue, and their associates
- Resolution 6 – Cygnet Capital Pty Ltd and its associates

however, the Company need not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote, in accordance with the instructions on the proxy form; or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further information in relation to these resolutions is set out in the Explanatory Memorandum which accompanies this Notice of Meeting.

## **Explanatory Memorandum**

The accompanying Explanatory Memorandum forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

## **Entitlement to Vote**

For the purposes of the Annual General Meeting, in accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that for the purposes of the meeting all shares in the Company will be taken to be held by the persons set out in the register of shareholders at 7.00pm (Brisbane time) on Tuesday 18 November 2008. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Annual General Meeting of the Company.

## **Appointing a Proxy**

A member is entitled to attend and vote at a meeting of members and may appoint not more than two people as the member's proxy to attend and vote for the member at the meeting. The proxy need not be a shareholder of the Company. A proxy form is included with this Notice of Meeting.

To vote by proxy, the proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company Secretary at C/Pitcher Partners, GPO Box 35, Brisbane, Queensland 4001 or by fax at 07 3319 6002 by not later than the close of business on Monday, 17 November 2008. Any proxy form received after that time will not be valid for the scheduled meeting.

If you appoint the Chairman of the Annual General Meeting as your proxy and do not specify how the Chairman is to vote on an item of business, the Chairman will vote (if permitted under the proxy form), as a proxy for you, in favour of the resolutions.

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**PROXY FORM**

I/We \_\_\_\_\_

being a Shareholder of Incitive Limited entitled to attend and vote at the Meeting, hereby

Appoint \_\_\_\_\_

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held in The Boardroom of Pitcher Partners, Level 21, 300 Queen Street, Brisbane, Queensland 4000 at 11am (AEST) on Thursday, 20 November 2008 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of each resolution.

**Voting on Business of the General Meeting**

|  | <b>FOR</b>               | <b>AGAINST</b>           | <b>ABSTAIN</b>           |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Adoption of Remuneration Report                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Re-election of Mr Bridges                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Re-election of Mr Willesee                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Approval for issue of options for Placement                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 Approval for issue of shares and options for Placement      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 Approval for issue of shares under Convertible Loan Mandate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**OR**

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

Continued on following page

Suite 339, 433 Logan Road  
 Stones Corner Queensland 4120  
 Telephone: 61 7 3394 8351  
 Fax: 61 7 3319 6002

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

**By:**

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Director

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Director/Company Secretary

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Sole Director and Sole Company Secretary

**Voting by Proxy**

To vote by proxy, please complete and sign this proxy form and either:

- send the proxy form by facsimile to the Company on facsimile number 07 3319 6002 (International: + 61 7 3319 6002); or
- deliver or mail the proxy form to the Company Secretary at C/- Pitcher Partners, GPO Box 35, Brisbane, Queensland 4001, so that it is received not later than the close of business on Monday, 17 November 2008. Proxy forms received later than this time will be invalid.

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### **Instructions for Completing ‘Appointment of Proxy’ Form**

1. A Shareholder entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder’s voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - two directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy’s authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

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**EXPLANATORY MEMORANDUM**

The purpose of this Explanatory Memorandum is to provide shareholders with information to assist them in assessing the merits of the resolutions contained in the accompanying Notice of Annual General Meeting of Incitive Limited (**Incitive**).

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolution.

**Incitive Financial Statements and Reports**

The Corporations Act requires that the report of the Directors, the report of the Auditor and the financial reports be presented to the Annual General Meeting. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports or statements. Shareholders will, however, be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial report to be considered at the Meeting.

Any written questions must be submitted to the Company Secretary before close of business on Thursday 13 November 2008 by:

Email            info@incitiveltd.com  
Fax                07 3319 6002  
Post                The Company Secretary  
                      Incitive Limited  
                      C/ Pitcher Partners  
                      PO Box 35  
                      Brisbane Qld 4001

**Resolution 1 – Adoption of Remuneration Report**

The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and up to 5 senior executives (Remuneration Report), be put to shareholders for adoption by way of a non-binding vote.

The Remuneration Report sets out the remuneration policy for Incitive and its controlled entities and:

- reports and explains the remuneration arrangements in place for executive directors, senior management and non executive directors;
- explains Board policies in relation to the nature and value of remuneration paid to non executive directors, executives and senior managers within the Incitive group;
- discusses the relationship between the Board policies and Incitive's performance.

The Remuneration Report is found in the Annual Report at pages 8 to 12. It is also available on the Company's website at [www.incitive.com](http://www.incitive.com).

The Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments upon the Remuneration Report.

### **Resolution 2 – Re-election of Mr Mel Bridges**

Mr Mel Bridges seeks re-election at this Annual General Meeting. Rule 13.2 of the Company's Constitution and Listing Rule 14.4, provide for the retirement of one third of the directors from office at each Annual General Meeting. Mr Mel Bridges retires and stands for re-election under these provisions.

A brief bio for Mr Mel Bridges follows.

Mel has over 30 years experience in the biotechnology and healthcare industries. During this period, Mel founded and managed successful diagnostics, biotechnology and medical devices businesses. He co-founded the listed company Panbio Limited (resigned 3 February 2003), and is currently Chairman of Peptech Limited, Alchemia Ltd and ImpediMed Ltd and a director of a number of private companies involved in the biotech industry.

Mr Bridges has a B.Sc. and is a Fellow of the Institute of Company Directors.

### **Resolution 3 – Re-election of Mr Winton Willesee**

Mr Winton Willesee was appointed as an additional director on 16 October 2008. Rule 13.4 of the Company's Constitution, requires any person appointed as a director to fill a casual vacancy or as an addition to the Board, must retire at the next annual general meeting following their appointment, and is then eligible for re-election at that meeting. Mr Winton Willesee retires and stands for re-election under these provisions. Mr Winton Willesee stands for election under these provisions.

A brief bio for Mr Winton Willesee follows.

Mr Willesee is an experienced Director and Company Secretary in the small capitalisation sector of the ASX and brings to the Company a broad range of experience in company administration, corporate governance and corporate finance.

Mr Willesee has a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Diploma in Education and a Bachelor of Business. Mr Willesee is a Fellow of the Financial Services Institute of Australasia and a Member of CPA Australia.

Mr Willesee is also a Director of Base Iron Limited, Boss Energy Limited, Future Corporation Australia Limited and Newera Uranium Limited and has filled the role of Company Secretary with a number of listed and unlisted public companies. He is currently the Company Secretary of Balkans Gold Limited, Base Iron Limited, Boss Energy Limited, Mantle Mining Corporation Ltd, Newera Uranium Limited and Greenvale Mining NL.

#### **Resolution 4 – Approval for issue of options for Placement**

Resolution 4 seeks shareholder approval for the issue of 1 million options to Cygnet Capital Pty Ltd (**Cygnnet**) as part consideration for Cygnet's role in managing the share placement to sophisticated and professional investors that occurred on 8 November 2007.

The terms of the management engagement were set out in a mandate agreement dated 3 October 2007 (**Mandate**).

Under the terms of the Mandate, Cygnet was entitled to receive a cash payment of 5% of the capital raised, which has been paid in full. In addition Cygnet was to receive 1 million options, subject to shareholder approval being received at the Company's 2007 Annual General Meeting. The placement did not occur until on 8 November 2007, which meant that approval could not be sought at the 2007 AGM.

The options have not yet been issued to Cygnet. Approval for the issue of the options is now sought at this Annual General Meeting.

#### **Listing Rule 7.1**

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

By this resolution, the Company seeks to obtain shareholder approval for a proposed issue of securities in accordance with the Listing Rules and so as to preserve its ability to issue securities representing up to 15% of the Company's issued capital over the next 12 months without prior approval of shareholders.

The information requirements for shareholder approval under Listing Rule 7.1 are set out in Listing Rule 7.3. In accordance with those requirements, the Company advises:

- the Company seeks the approval to issue a total of 1 million options to Cygnet
- the securities will be issued and allotted within 3 months of obtaining the approval
  - The options will be issued for Nil consideration, representing part consideration for the lead manager engagement set out in the Mandate (referred to above)

- Other terms:
  - the options are exercisable for 1 ordinary share per option
  - the exercise price is \$0.10 per option
  - the exercise period is 3 years from the date of issue

**Directors' Recommendation**

The Board recommends that shareholders vote in favour of approving the issue of options to Cygnet.

**Resolution 5 – Approval for issue of shares and options under Convertible Loan**

Resolution 5 seeks shareholder approval in accordance with Listing Rule 7.1 for the conversion of the Convertible Loan Agreements (**Loan Agreements**) dated 22 September 2008 and 26 September 2008 and issue of shares and options to the named lenders under the Loan Agreements in full satisfaction of the obligations thereunder.

The conversion of the Loan Agreements for shares and options under the terms of the Loan Agreements is conditional upon shareholder approval of the issue in accordance with Listing Rule 7.1.

Incitive entered into the Loan Agreements, each for \$250,000, to raise a total of \$500,000 (**Loan Amount**) from various lenders for the purpose of funding working capital requirements and to pursue new business opportunities.

Interest has accrued on the Loan Amount at 12% per annum, calculated daily. As at the date of the Annual General Meeting, the interest payable will be:

- in respect of the Loan Agreement dated 22 September 2008, \$4,979.64 (calculated over 60 days)
  - in respect of the Loan Agreement dated 26 September 2008, \$4,644.60 (calculated over 56 days),
- totalling \$9,624.24 (**Interest Amount**).

It is proposed that shareholders approve the conversion of the:

- Loan Amount for 14,285,714 shares and 14,285,714 options;
- Interest Amount for 274,978 shares and 274,978 options.

The shares are being issued at an agreed conversion price set out in the Loan Agreements, of \$0.035 per share. No conversion price applies to the options however.

The conversion of the Loan Amount and Interest Amount, and issue and allotment 14,560,692 shares and 14,560,692, will fully satisfy the Company's obligations under the Loan Agreements. Upon conversion, the security over the Company's assets will be released and the Loan Agreements will be at an end.

**Listing Rule 7.1**

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

By this resolution, the Company seeks to obtain shareholder approval for a proposed issue of securities in accordance with the Listing Rules and so as to preserve its ability to issue securities representing up to 15% of the Company's issued capital over the next 12 months without prior approval of shareholders.

The information requirements for shareholder approval under Listing Rule 7.1 are set out in Listing Rule 7.3. In accordance with those requirements, the Company advises:

- the Company seeks the approval to issue a total of 14,560,692 shares (**Shares**) and 14,560,692 options (**Options**)
- the securities will be issued to the named lenders under the Loan Agreements, who are sophisticated or professional investors introduced by Cygnet, who will each receive securities in proportion to their contribution to the Loan Amount
- the securities will be issued and allotted within 3 months of obtaining the approval

#### **Shares**

- the Shares are being issued at an agreed conversion price of \$0.035 per Share
- the Shares will rank parri passu with other ordinary shares in the Company and the Company will seek quotation of the shares on ASX

#### **Options**

- the Options are being issued for \$Nil consideration
- the Options will be exercisable for one ordinary share in the Company at an exercise price of \$0.05 per Option within 2 years from the date of issue

#### **Directors' Recommendation**

The Board recommends that shareholders vote in favour of approving the issue of shares and options under this resolution.

#### **Resolution 6 – Approval for issue of shares under Convertible Loan Mandate**

Resolution 6 seeks shareholder approval for the issue of 1.5 million shares to Cygnet Capital Pty Ltd (**Cygnet**) as part consideration for Cygnet's role in managing the capital raising by way of Convertible Loan (referred to in resolution 5) that was announced on 29 August 2008.

The terms of the management engagement were set out in a mandate agreement dated 28 August 2008 (**Mandate**).

Under the terms of the Mandate, Cygnet is entitled to be issued 1.5 million shares in the Company, subject to shareholder approval being received at the Company's 2008 Annual General Meeting. Approval for the issue of the shares pursuant to the Mandate is sought at this Annual General Meeting.

#### **Listing Rule 7.1**

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when

aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

By this resolution, the Company seeks to obtain shareholder approval for a proposed issue of securities in accordance with the Listing Rules and so as to preserve its ability to issue securities representing up to 15% of the Company's issued capital over the next 12 months without prior approval of shareholders.

The information requirements for shareholder approval under Listing Rule 7.1 are set out in Listing Rule 7.3. In accordance with those requirements, the Company advises:

- the Company seeks the approval of shareholders to issue 1.5 million shares within 3 months of obtaining the approval;
- the securities will be issued to Cygnet pursuant to the terms of the Mandate and therefore issued with a \$Nil issue price; and
- the shares will rank *pari passu* with other ordinary shares in the Company and the Company will seek quotation of the shares on ASX.

#### **Directors' Recommendation**

The Board recommends that shareholders vote in favour of approving the issue of shares to Cygnet.